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The Fishing Industry In Malaysia :
Its Development and a Critical Appraisal
of the Government's Policies

by

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A Project Paper Submitted to the Kulliyah of Economics,
International Islamic University in Partial Fulfillment of the
requirement for a degree in Bachelor of Economics.

April, 1987.

K0001.

DEDICATED TO

- MY PARENTS ;

BONDA BADRU

AYAHANDA JAAFAR

- MY YOUNGEST BROTHER ;

MDHO. SHUKUR

- MALAYSIAN FISHERMEN

ACKNOWLEDGEMENT

I wish to record my gratitude to some of the important persons with whom I discussed and helped me on a number of issues related to my project paper and benefited richly from their precious insights. Among them is the most sincere, helpful, lovely, and brotherly, Br. Aidit Ghazali - my supervisor, my teacher and my admirer. I must admit that he has taught me to appreciate the values of challenge and patient. May Allah grant him with His Blessing.

Credit is also due to officials of the LKIM with special thanks to Mr. Mohd Nor Hassan, Mr. Othman Latiff, Ust. Hj Dahalan Hj Arshad, Mr. Rosli Mohamad, Miss Rabiatal 'Adawiyah, Mr. Mohd Nor Sulaiman and others. They are very kind and approachable.

Special thanks are extended to Miss Roslia for her patience in typing the manuscript. Your contribution is irreplaceable.

My special thanks are also extended to Saripah for her encouragement and endurance to the completion of this paper.

Finally but not least, my gratitude and my appreciation to Pangkor Fishermen from whom I was brought-up. Their life greatly inspired my writing based on authoritative arguments rather than emotional attachment.

Amin.

Zambry A. Kadir
Petaling Jaya.

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ABBREVIATIONS

Chettiyar	-	Money-lender
DOP	-	Department of Fisheries
EEZ	-	Exclusive Economic Zone
FAMA	-	Federal Agriculture Marketing Authority
GDP	-	Gross Domestic Product
GNP	-	Gross National Product
JPI	-	Fish Marketing Board
LKIM	-	Fishery Development Authority of Malaysia
MSY	-	Maximum Sustainable Yield
NAP	-	National Agriculture Policy
NEKMAT	-	National Fishermen Association
NEP	-	New Economic Policy
OAE	-	Open-Access Equilibrium
Peraih	-	Fish-Dealer
PN	-	Fishermen Association
RIDA	-	Rural and Industrial Development Authority
Sampan	-	Small-boat
SKN	-	Fishermen Co-operative
Tawke	-	Chinese Capitalist

CHAPTER ONE

INTRODUCTION

1.1 : GENERAL BACKGROUND

The fishing Industry in Malaysia is a small but important sector of the national economy studies⁽¹⁾ have been made along the area of development of the fishing industry particularly in the circle of socio-economics aspects. It is not improper to state that some of those studies do not deeply emphasis some other conditional aspects such as socio-political aspect, socio-cultural aspect, natural environments, value and norms which are stimulus in action and are inter-related.

The fishing Industry in Malaysia is always related to the development and the welfare economics positions and patterns. Development is envisaged in the mechanization process, technological expertise, self-reliance, and well planned structure. Unfortunately those aspects are still considerably weak and lack of attention from

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- (1) Some of the studies have been made are : (just to name a few)
- a. G.R. Munro and Chee Kim Loy, "The Economics of Fishing and The Developing World. A Malaysian case study", Universiti Sains Malaysia, Penang, 1978.
 - b. Yayaha, Jahara "The socio-economic impact of the trawler fishing Industry in Malaysia", University of Malaya.
 - c. Fisheries Division, "An Economic survey of the fishing communities of the East coast of West Malaysia". Ministry of Agriculture and land, Malaysia.

the fishermen in particular. Welfare⁽²⁾ is referring to the level of poverty, working hours, leisures, education, illiteracy, infrastructure

(2) The writer does not mean to interpret welfare in a narrow sense as understood by most of the western Economists. The idea of welfare criteria as to achieve optimum utility as propogated by Pigou(1920), Marshal (1980), Pareto (1906), Van Neumaun and morgensterm (1944) can not be accepted in this scenario, and nor merely to accept that economic welfare can be said to have increased when one or more members of the group concerned are better-off and no one is worse off, neither Kaldor and Hicks criterion on compensation principle which is regarded as neo-Paretorian. (See, Hans Van Dan Doel, Democracy and Welfare Economics, Cambridge University Press, Cambridge, 1979)

The writer also objects Atkinson understanding of the problem of welfare which looks only at the level of income and its distribution, poverty, concentration of wealth, and labour market. (A.B. Atkinson, The Economics of inequality, 2nd Edition, Clarendon Press, Oxford, 1983).

The subject of welfare should be viewed in a comprehensive term combining both spiritual and material well-being (See, M. Umar Chapra, The Islamic Welfare state and its Role in the Economy, The Islamic Foundation, Leicester, 1979), where it could ensure "The Welfare of individual and the society, and avoid injury to them, does not oppose human nature, and not to impede the Fundamental customs", (Syed Qutb, Social Justice in Islam, The Open Press (M) Sdn. Bhd. K.L, 1983, page 100).

Its understanding also should be on the basis of the Economic, social and politcal rights which determine the level of welfare of the members of the community, and then it may construct social welfare function and this must be included all the economic, social, ethical and political element which determine the level of living of the population." (See, Contributions to the Economic basis of the Third Universal Theory, Brisbane 17 - 23 August 1981 Conference, on the topic 'The Welfare Function of The Third Universal Theory by Mamartakis).

and fulfillment basic necessities, government intervention, incomes, moral obligations, and "the ideological outlook that provides the metaphysical-based for the economic pursuit."⁽³⁾

Hence, socio-economic problems like poverty could not negate from arising out in this scenario. The poverty that may impose here is more related to "relative poverty" which has more to do with inequality or imbalances in income between the lower income and the higher income groups, the income between traditional and the modern fishermen, the income between in-shore and off-shore fishermen, the income between different races of the fishermen, and at the different age.

(3) Ideology of the country should be in line with upliftment of spiritual aspect i.e religio-cultural aspect on which it determines the economic pursuit. Eventhough there is a new birth of the economic discipline which is the so-called "radical political Economy" in Western countries (See, Biran Burkitt, Radical Political Economy, An Introduction to the Alternative Economics, Harvester Press, 1984), but they unite in their distasteful for capitalism and their preference for socialism by emphasizing the idea of Robert Owen, Ricardian and Marxian. Therefore the writer intends to look at integrated approach which comprises every angle of human life without looking into "ismistic approach."

Meanwhile, marine fish stocks are very scarce and consequently inadequate to formulate a consistent policy for resource exploitation and management. In 1980, fish landed was about 623,898 tonne while in 1980 it was a reduction at 567,323 tonne and drastically reduced until 481,640 tonne in 1984.⁽⁴⁾ Available resources are grouped into two categories. That are technically accessible and technically non-accessible resources. Technically accessible resources firmly exist in West Coast Peninsular Malaysia which local fishermen can exploit at the given level of fishing techniques and means (boats, gears) in terms of expertise and mode of operations. Technically non-accessible resources require fishing techniques and employment from artisanal fishermen which are not widely at the disposition of Malaysian fishermen and fishing enterprise.

There seem to exist some altercations in management and resources exploitation. Despite the problems of fish fleeting and the marketing and processing fish, other problems like mis-conduct, malpractices among the fish agency bodies, lack of motivation, and the lack of skill between the employers and the employees, between the fishermen and some of the "village head". As a result of such natures

(4) See, Fisheries Department Peninsular Malaysia, April 1986. Jabatan Perangkaan (Department of statistics).

and ruins, majority of the fishermen live under the poverty line,⁽⁵⁾ are economically deficient, face social conflict, malnutrition, less medicare, lost of code of conduct, and "The dilemma between inner expositions and outward realities."⁽⁶⁾

- (5) In a 5th Malaysia Plan has stated that there is no absolute term of poverty can be applied independent of the social structure and level of development. Poverty in Malaysia could not be measured on the basis of a poverty line income per se because it should reflect other factors such as the true welfare and the standard of living of the households. (See, Fifth Malaysia Plan 1986 - 1990, National Printing Department, K.L., 1986. Page 81 - 97).

In 1983 there were 45,500 fishing household in Peninsular Malaysia and the poverty rate was 44.2%. Again, we do not have a figure of income ranging to measure the level of poverty. But in 1982, a study done by SERU "Socio-Economic Study of Fishermen Households in Marang, Trengganu," was found that 80.9% of the fishermen earned less than \$200 a month. Does it show that less than \$200 a month income is considered as poverty line? (See, Economic Report 1984/85, Ministry of finance, National Printing Department, K.L., 1984).

- (6) Some of the fishermen face an internal conflict that is either to fulfill moral obligation towards works and fulfillment of religions consciousness or to practice immoral activities such as cheating, stealing, drunken, grumbling, drug addict, and finally to practice some animistic belief which contrary to their religion that is Islam.

Between 1984 until early 1986, the government had played a major and important roles and had sought an extensive programmes towards a new era of fishing industry in Malaysia. This was perhaps due to the fact that the gap between traditional and capital-intensive production techniques are significant and grew more pronounced during 1984 as the government promoted resources exploitation strategies stressing macro-economic management and economies of scale. Some signs however, pointed to improve resource-conservation consciousness among the fishermen and governments, as 200-nautical-mile Exclusive Economic Zone (EEZ) continued to be promulgated.

By the year 2000 population growth will increase in number and it will result in demand for extra weight of fish landed to maintain present levels of nutrition, despite of importing from neighbour countries. In order to meet demand and supply at a meeting point resource-exploitation strategies and resource conservation consciousness should be equally emphasized. For that reason any encroachment into coastal area by foreign fishermen should be stopped, and stern action should be imposed, similarly the trawlers' repeated encroachment into traditional fishing grounds must be given severe punishment. This could be done under the recently implemented Fisheries Act, although quiet often trawlers have challenged and are against its enforcement.

In conjunction with the above mentioned, a need for public participation in decision-making of natural resources the fish is hoped to be inculcated by the government.⁽⁷⁾ It is important in order to meet the need of the people especially among the fishermen for a democratic society.

There is hence, a need for a thorough study and an insight analysis to solve some major problems and seek solutions for the betterness of fishermen. Thus it is hoped that any politically programmes designed could be avoided which only suits a small group of fishermen, and such policies on fishing should not be spontaneously drafted to leave the government's burden.

(7) Participation here should be looked in terms of participation as policy, strategy, conflict resolution and participation as Therapy in which socio-political is the determinant. The writer emphasizes this because in many cases the views and the needs of the fishermen are neglected. This will discuss further in the following chapters.

For further elaboration on the need of public participation see 'Albert E. Ulton, W.R. Derrick Sewell, Timothy O'Riordan; Natural Resources for a Democratic Society; Public Participation in Decision-making, West views Press, Boulder, Colorado, 1976. page 23 - 40.

1.2 : AIMS OF THE STUDY

1.2.1 : General

The aim of the study in general is to conduct a comprehensive study of the development of the fishing industry in Malaysia with special emphasis during the post-independent without neglecting its contribution, achievements, and perhaps its failure. Moreover, due to the fact that there are no recent studies on fisheries within the last three to four years, it is felt that a continuous and an indepth study should be pursued.

This study is also meant for a critical appraisal of government policies towards fishing industry in Malaysia on which many researchers and analysts fail to penetrate into. The aims also inter-alia, is to find out whether the policies designed for fishing sector are the primary policies or estimated merely to secondary purposes from the ultimate goals of the New Economic Policy (NEP).

1.2.2 : Specific

Briefly discuss, the specific aims of the study inter-alia :

- i. To foresee problems related to fishing industry without any demarcation of disciplines.
- ii. To find-out economic implications of the fishing industry in terms of macro-economics and welfare economics.

- iii. To clarify some matters pertaining fishing industry from its geographical boundry and local perspective.
- iv. To find-out solutions in a more realistic stage
- v. To encourage further study on fisheries in Malaysia from human life angle.
- vi. To gauge exprior attention from those concerned in fishing sector.
- vii. To reintroduce the importance of an integrated approach vis-a-vis combination between religions foundation and worldly activities in economic sphere.

1.3 : EXPECTED CONTRIBUTION

It is hoped that from this humble effort would enhance public awareness of the problems of some deprived and poor groups in this country. Surely, one cannot overcome such problems can be of substantial benefit.

This study hopes to contribute to a comprehensive analysis and holistic study of the fishing sector in Malaysia. To achieve this, a systematic way in conducting study and an in-depth to highlight some pertinent issues of the fishing industry to be discovered such as a contradiction and conflict what fishermen need and what they have been sought.

The writer also hopes some underlying problems and solutions of the fishing industry would be taken into consideration by the Ministry, policy-makers, top-ranking implementors, officers, administrators, and not least by the fishermen levels, so that they must seek a strengthen, commitment, sincerity and motivation towards eradication an inherent problems of fishing sector in Malaysia. Then, it shall try to harmonize inner dimension of the whole levels concerned in the fishing industry as well as their worldly acquisition.

To avoid conflict between ideals and realities is conducting this study the writer tries his very best to grasp a balance of fact finding in a fair justification, constructive way and hence refrain any bias. Thus, this study is hoped could be accepted as a real presentation to the closeness of the fishing industry in Malaysia. The writer also does hope, this thesis is not merely an academic exercise in fulfilling partial requirement of the first degree level, but more than that, it should be accepted as a true and sincere presentation and discussion of the life of fishermen, their community, their institutions, their fear, their problems, and their hopes for the future.

1.4 : RESEARCH METHODOLOGY

This study has been conducted by several ways. This is to ensure a well-planned study and a systematic presentation so that it may avoid difficulties, redundancy and over-lapping statements. Among the important methods have been used are library research, questionnaire, interview and visit to fishing institutions.

Library research has been used on the most of the chapters which needed more readings and references from other sources. This method is clearly envisaged in chapter 2, 3 and 4.

One thing should be noted that this study comprised of some considerations; first, the nature of the study which requires continuous observation over the changing of the ministry's policies; second, the degree of supervision of fieldwork required. Thirdly, the cost of conducting study; fourthly, basic readings on the subject; and finally the characteristics of the fishermen under investigation, particular their pessimistic attitude.

1.4.1 : Problems and Limitations

a. Lack of literatures available. The reason is that, fishing is considered a small sector, so that the concern given is very limited. This included the readiness and willingness individual to write on the fishing industry is very limited.

b. Some of the available data are out-dated. But for the purpose of comparison it has no choice but to accept it.

c. Time constraint is another factor that could restrict comprehensive analysis of the study.

d. Co-operation from particular institutions of fishing are very much questionnaire. Some officials reluctant to pass required data for this study.

1.5 : CHAPTERS OUTLINE

Briefly, all chapters are designed to present an objective study of the fishing industry in Malaysia. Chapter 1 has presented an introduction of the fishing industry. In other words, it draws the scenario of the study. It also consists the research methodology, problems faced and limitations.

Chapter 2, will present the literature review on related aspects of the study.

Chapter 3, is a brief explanation of the fishing industry before and after independence. It will then be followed by a study on some government fishing agencies such as Fisheries Development Authority of Malaysia (LKIM), Fisheries Association (PN), Fisheries Department and others. An emphasis will be made on their recent development in activating and reactivating of the underlined objectives.

Chapter 4, will primarily discuss the position of fishing industry policies in Malaysia. Questions that would be raised in this chapter is whether those policies are of primary or secondary nature. It means to say that either those policies are designed to achieve primary objectives as stated in government's five years plan as well as New Economic Policy (NEP) or it has been designed to fulfill sub-objective of government for a small group in the country.

Chapter 5, is likely the empirical findings of the thesis. It is a case of Pangkor's Malay fishermen where a questionnaire has distributed concerning their income and poverty, technological innovation, inner commitment, and the significance of the government policies.

Chapter 6, will present systematically problems and solutions affecting all levels of fishing sectors. Without degrading the role of Islam in determining the life of man on a proper path. This chapter will attempt to show how Islam looks at fishing sector and what are the solutions which are commensurate with Islamic values, men do not go astray.

1.6 : CONCLUSION

Again, the writer would like to remind that this is a humble effort within man's capability. The topic chosen is hoped would be a real presentation, and indeed, so far the writer has never come-across the writing on fishing sector in Malaysia discuss the topic. This is the first time of writing on government's policies toward fishing sector, and this is also the first attempt and experiment in combining religious and worldly life in order to achieve true success in man's life.

LITERATURE REVIEW

This chapter analyses some studies made on fishing industry in Malaysia. It includes various aspects of fishing industry such as socio-economics aspect, technological know-how, and its development. Thus it may involve some references, observations, and comments of the available literatures. An attempt will also be made to look the emphasis of the available literatures pertaining various aspects in fishing industry.

2.1 : Review of the development of fishing Industry : Retrospect and prospect

Malaysia has been inheriting long experiences of the establishment of fishing sector. During this period, it has historically stated among the 10 or 15 largest fish production in the world in terms of tonnage, represents about 3% of the nation's GDP and employment. It has been regarded as traditional sector which always being connected with low productivity, using an increase number of labour forces and a poverty phenomenon. Based on this, the causes were related to "the persistence until recently of traditional, relatively unproductive technology in certain areas, and the relative occupational and geographic immobility of fishermen compared to other occupations."⁽¹⁾

(1) Malaysia, A Review of fisheries policies and programs, Agriculture Division 5, East Asia and Pacific Projects Department, October 26, 1982. pp:i

Instead of the fact mentioned, fishing sector has contributed some amounts of percentage to Malaysia economy. For instance, in 1980 fishing sector was able to contribute only about 9% of GDP and provided about 89,000 employments to fishermen. The number slightly decreased in 1981 whereby it provided only 86,925 number of fishermen. The number became decreasing over years, like in 1982 number of fishermen about 80,237, 1983 was 75,590, 1984 was 76,092 of fishermen and in 1985 was about 68,511 number of fishermen.⁽²⁾

Nik Hashim Mustapha (1986)⁽³⁾ states that the above statistic show that fishing industry has contributed small amount of GDP as compared to agricultural sector and natural resources which have better commercial prospect.

(2) Malaysia, monthly statistical Bulletin Peninsular Malaysia, Department of statistics, April 1986, pp. 19.

(3) Nik Hashim Mustapha (Dr), Development of fishing Industry and its impacts, Berita Harian, January 29, 1986.

Yap(1977)⁽⁴⁾ has given an indepth study of the development of the fishing industry in Malaysia with special reference to the West Coast of Peninsular Malaysia from the early 1900's. She divides fishing development into three stages; first, from 1900 - 30's ; second, 1930's - 65 ; third, from 1965 onward.

1900 - 1930's showed that public policies played a significant role in influencing the change and the determination of fishing industry's development. The decline of the use of fishing stakes between 1900 - 1930's led to the rise of the purse seine in 1930-1965 and finally the use of the trawl among the West Coast fishermen from 1965 resulted from the visit of the late Agricultural Minister Tan Sri Ghazali Jawi to Taiwan.⁽⁵⁾

In 1970's had shown changing of policies and they affected fishing industry concurrently. Policies changed in accordance with the change of ministers and policy makers. In other words, it is more related to socio-political conditions of the country. For very obvious reason, during The Agriculture Minister Dato Mannan Othman's time he had stopped giving licence to Fishermen Corporative (SKN)

(4) Yap Chang Hing, Fisheries Policies and Development with special reference to the West Coast of Peninsular Malaysia from the early 1900's; paper presented at The Seminar on the Development of Fishing Industry in Malaysia, K.L, 1977.

(5) Pangkor Island was the earliest area introduced trawler. In 1965, 10 boats in Panglor converted into trawling. In fact when trawler licence was issued the number increased tremendously.